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C O N F I D E N T I A L SECTION 01 OF 05 MONROVIA 000902

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DEPARTMENT FOR AF/W DOKEDIJI, AF/EPS CTRIMBLE, EB/ESC  
SSAARNIO, INR/AA BGRAVES  
USAID FOR AFR/WA-SSWIFT

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TAGS: [ASEC](#) [EAID](#) [ECON](#) [EFIN](#) [ENRG](#) [EWWT](#) [LI](#) [MAS](#) [MCAP](#)

PGOV, PREL

SUBJECT: VISIT TO LIBERIA BY DAS TODD MOSS - JULY 11 - 17,  
2007

REF: A. MONROVIA 610

[1](#)B. MONROVIA 627

[1](#)C. MONROVIA 846

Classified By: Ambassador Donald Booth for reasons 1.4(b) and (d)

[1](#)1. (U) SUMMARY: Deputy Assistant Secretary for African Affairs Todd Moss visited Liberia July 11-17, and met with leaders from the Government of Liberia (GOL), business and banking representatives, members of the legislative opposition, UNMIL and international partners, and directors from key sectors of Liberia's fragile economy. Although the visit was designed to be a broad familiarization tour of key Liberian issues and personalities, Liberian interlocutors stressed the urgent need for continued or renewed focus on a handful of priorities: rehabilitation of the port of Monrovia, electricity generation and distribution, and security sector reform. Liberian leaders often thanked DAS Moss for the generous assistance from the USG, but pleaded for more rapid disbursement of pledged funding. END SUMMARY.

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NATIONAL PORT AUTHORITY  
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[1](#)2. (C) On July 12, DAS Moss and Ambassador Booth visited the Freeport of Monrovia and met with recently appointed National Port Authority (NPA) Managing Director George Tubman. Tubman claimed that the security situation at the port had improved since a series of thefts and other crimes in or near the Freeport in May (refs A, B). He said that the July 9 melee (ref C) at the NPA between the Liberian Seaport Police (LSP) and Liberian National Police (LNP) had been a setback caused by poor communication. (Note: a Board of Inquiry released a report of the incident on July 17 that laid much of the blame on LNP Chief Beatrice Sieh. End note). Nevertheless, Tubman admitted that the security provided by a patchwork of private security guards, LSP, LNP and UNMIL troops was unwieldy and the neighborhood surrounding the NPA remained volatile. A subsequent tour of the port revealed practically no security around Liberia's only petroleum jetty at the Freeport.

[1](#)3. (C) Tubman highlighted a number of urgent needs at the port. He said it was imperative that the NPA receive a USAID-financed tugboat soon and Ambassador Booth pledged there would be no further delays in getting funds released. (Note: Funds are now available and the tug is reportedly on the way to Monrovia. End note). Tubman explained that warehouse facilities were inadequate and the cargo handling

contractor, Safebond, was unsatisfactory. (Note: the NPA published a tender for new cargo handling equipment on July 18. Embassy has submitted a Trade Lead to the Department of Commerce. Bids are due on August 23. End note). During a tour of the port, Tubman illustrated the precarious state of the primary wharf. The pier is limited to one ship at a time due to a 300-foot shipwreck blocking the north end and the collapse of a center section of the wharf on the south end. The lack of nighttime navigational aids further limits port operations, thereby raising freight costs, he said. Tubman added that channel dredging paid for by the World Bank was complete but he had his reservations on the quality of the work done. In addition, without a full dredging of the wharf area, the port was unable to accommodate deeper, larger ships.

14. (C) In response to DAS Moss' request for a long-term solution to modernizing the port, Tubman's first priority was to "get people to respect the integrity of the NPA." Tubman referred to a 1975 Port Master Plan and claimed there was no need for outside management proposals - NPA could manage modernization itself. He said the NPA needed a new master plan for the container age, not a breakup of NPA into pieces to be developed privately. (Comment: NPA management continues to grieve over the loss of much of the Port of Buchanan to Mittal Steel. Recently published tenders from the Ministry of Lands, Mines and Energy (MLME) for the western cluster iron ore concessions suggest that northern sections of the Monrovia Freeport bundled with those concessions will also likely remain out of NPA bounds. End comment).

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Liberia Electric Company

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15. (U) At the Liberian Electric Company (LEC) on July 12, Managing Director Harry Yuan told DAS Moss that at its peak in the 1970s, the LEC generated 75 megawatts (MW) of power (65MW from Mt. Coffee Hydroelectric power plant and 10MW diesel generator) and had 30,000 paying customers. Today, he said, the LEC distributes only 2MW of power to 460 customers in central Monrovia, thanks to generators, fuel and transmission lines provided by the EC, USG, Norway and WB under the Emergency Power Program (EPP). Rick Whitaker, Chief of Party for International Resource Group, a USAID sponsored consultant supporting the re-commercialization of the LEC, reported that LEC collected \$1.5m in revenue in 2006/07 and is now able to pay its modest operating expenses.

The collection rate is 91 percent and power is billed at 34 cents per kilowatt hour (KWH), while the cost of production is 33 cents per KWH. LEC also receives a subsidy from the GOL worth about 4 cents per KWH. Whitaker said that hydro or heavy fuel oil generation could knock down generating costs by 15 cents / KWH or more. Yuan thanked the USG for its assistance in meeting the goals of EPP, but lamented that funds from some donors have been slow and the GOL had been unable to deliver on promises for expanded power. (Note: USAID has requested an additional \$4.9 million for Liberian power projects for the coming year, and USTDA has finalized the Scope of Work for a Mt. Coffee feasibility study. End note).

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Liberia Economic Development Fund

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16. (C) Community Habitat Finance (CHF) Country Director Laurin Banner told DAS Moss on July 12 that the Liberia Enterprise Development Fund (LEDF) will kickoff in September when President Johnson Sirleaf visits the U.S. and the first loans should start flowing in October. Initially LEDF intends to target small and medium sized enterprises (SMEs) with loans ranging from \$20,000 to \$1 million at interest

rates from 15-25 percent and terms of one to five years. The goal for the first 12 months is 100 loans for a total of \$3 million. The LEDF is now a separate legal Liberian entity but still awaits approval from the Central Bank of Liberia (CBL) to operate as a non-bank financial institution. Banner said the CBL is worried about the impact on the banking sector, and LEDF has promised to share experience and capacity with commercial banks, and possibly provide guarantees for commercial bank loans in order to improve sustainability in the sector. DAS Moss suggested that CHF track job creation and government revenue generation during the life of the program.

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United Nations Mission in Liberia  
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17. (C) UNMIL Acting Special Representative for the Secretary General (SRSG) Jordan Ryan explained the proposed drawdown plan that would shrink troops on the ground from 14,000 at present to 11,000 by the end of 2008 and 9,000 by 2010. He said the remaining force would be more mobile, backed by air support and focused on hotspots along the borders, in Sinoe and in Monrovia. Ryan said that while the threat of a military incursion remains low, concerns along the borders remain high and UNMIL is conducting joint patrols with the UN in Ivory Coast, and with Guinean and Sierra Leonean armed forces. The bigger issue, according to Ryan, was political instability caused by "rising hardship" among Liberians as prices rise without large scale job creation.

18. (C) Ryan also updated DAS Moss on the status of the Liberian National Police (LNP) and Armed Forces of Liberia (AFL). He said there were now over 3,500 LNP officers but that they still had very little equipment, particularly in rural areas. He noted that jurisdictional issues (such as the port fracas in ref C) remain, and the corrections institutions were inadequately staffed and equipped. Ryan appealed for help in solving funding delays to the AFL and in particular to ensure a pledged \$5 million for a Quick Reaction Unit (QRU) in the LNP is delivered soon.

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Ministry of Defense  
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19. (C) At the Ministry of Defense (MOD) on July 12, DAS Moss told Minister Brownie Samukai that support for the AFL was strong and bipartisan and he assured the Minister that funding was in the pipeline. Samukai thanked the USG for its backing and expressed hope for additional support, including training for military leaders, a slot in US officer courses, legal training for MOD counsel, assistance in developing an intelligence section at the MOD, help in assessing cross-border national security threats, and support for a maritime affairs branch. Samukai reiterated Liberia's desire to become a base for Africa Command (Africom), noting that Liberia may have infrastructure issues but it also offered a strong political climate and support for the United States. DAS Moss explained that the precise footprint of Africom remained undecided and would likely be much smaller than current expectations in the region. Samukai argued that the mere presence of the U.S. military would contribute to regional stability.

110. (C) Minister Samukai also asked why the international community had only advanced a plan to train a force of 2,000 for the AFL. DAS Moss said the focus was on quality not quantity and Ambassador Booth noted that ultimately Liberia will decide the size of the AFL and that the initial 2,000 figure was driven by funding limitations and an analysis of the size force the GOL could afford to pay and maintain. He said that the initial training will provide Liberian military leadership with the capacity for ongoing recruiting and

training. Samukai expressed concern about the LNP QRU, saying he distrusted the quality of UN training for the unit.

He suggested the QRU should have better vetting and curriculum plans. Ambassador Booth noted that UNPOL was asking the U.S. to recruit a project manager for the QRU and trainers would be brought to the program through CIVPOL to form a small group based on the SWAT model and integrated into normal police units. (Comment: Samukai, who was instrumental in setting up anti-terrorist operations and creating the Black Beret force in the early 1990s, is jockeying to enhance the purview of the MOD and would welcome having the QRU or its equivalent under his umbrella. He is thus involving himself in the policies and planning for a unit that falls within the LNP and the Ministry of Justice. End comment).

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Ministry of Finance  
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¶11. (SBU) Minister of Finance Antoinette Sayeh told DAS Moss on July 16 that the GOL was getting close to passing the 2007/08 budget. She explained that the government was operating without a continuing resolution and paying only salary arrears from previous fiscal years. She remarked that it was getting increasingly difficult to stay the course in the face of populist pressures, but that the GOL was determined to pass a budget that does not undermine poverty reduction priorities. Legislative earmarks, she argued, would face a certain veto.

¶12. (SBU) Minister Sayeh thanked the USG for the hard work it had expended on the clearance of Liberia's debt arrears but lamented that some shareholders were resisting the policy changes to HIPC that would be necessary to take note of the Liberia case, notably the requirement for a specific track record under PRGF. GOL has proposed an amendment to accept its current track record, rather than asking for any special treatment. Sayeh asked for US Treasury support for "one last push to dislodge the fence-sitters." Sayeh said Liberia would remain in the post-conflict carve-out for one year after arrears clearance. She also noted that the situation with the Nigeria Trust Fund at the African Development Bank (ADB) remains unresolved and that the ADB still did not have any entity on the ground in Monrovia to make disbursements. So far Liberia has only benefited from a \$4 million capacity building project from the ADB.

¶13. (SBU) Sayeh commended overall good donor support from the European Union (EU), the United Kingdom (UK), and United States but said Liberia and its allies needed to do more outreach to non-G8 European countries in order to get on

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their assistance list. She also noted that donor money was slow, and in particular, there were many commitments from the World Bank (WB) that had still not been disbursed because of procurement problems and other reasons. She highlighted the urgency at the port where WB cost estimates for emergency infrastructure upgrades had failed to account for the true, higher cost, and that projects had not been completed as a result. She added that the GOL had also been slow to review the Terms of Reference for a management contract, and suggested that while NPA management had changed, a largely ineffective Board of Directors remained in place.

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President Johnson Sirleaf  
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¶14. (C) President Johnson Sirleaf told DAS Moss in a July 16 meeting that the U.S. has been a strong partner for Liberia, particularly in the security sector. She assured DAS Moss that Liberia would ensure that the UNMIL drawdown coincides with the emergence of adequate national capability. She noted the importance of the QRU and pledged to use funds from

a supplemental budget to support the QRU. President Johnson Sirleaf admitted that she remained uncomfortable with the professionalism of the LNP, despite vetting. She said the core of the force still did not have the proper education on use of force and human rights and required further training, incentives, and better leadership.

¶15. (C) The President explained that community development and local governance was also improving thanks in part to USG support, but she pleaded for assistance in "shortening the period between commitment and cash." She also implored the U.S. for more help in expanding electricity capacity in Liberia. She decried the slow pace of the USTDA Mt. Coffee dam feasibility study and urged the USG to quickly assist Liberia to draw up proposals for lower cost generation and quickly draft tenders for bids. She noted that roads were also languishing from delays in donor pledges, and that the employment expected from public works still had not been realized. She reiterated that the top priority for the GOL was employment and further measures to attract people away from the cities and into the rural areas. When asked by Ambassador Booth about land reform, the President claimed she was still waiting for land reform proposals from the Governance Reform Commission (GRC). On corruption, she said the GRC had finished a Code of Conduct but the Anti-Corruption Commission (ACC) remained in development. Minister of State Morris Saytuma added that the plan is for the ACC to be able to issue indictments but that a special court in the judiciary branch would be used for adjudication.

¶16. (C) DAS Moss asked the President about plans for addressing the precarious situation at the Port of Monrovia. The President admitted that the GOL had not done enough in matching its response to the urgency at the port. She reviewed that she had received a draft Terms of Reference for a management contract at the port from the World Bank but noted that the upgrades required large amounts of capital, resources that the GOL does not possess and cannot presently borrow. Ambassador Booth mentioned having heard interest from possible investors but only if the agreement was for a significantly long-term Build-Operate-Transfer deal.

¶17. (C) President Johnson Sirleaf conceded that public pressures from rising commodity prices were mounting and that problems at the port were partly to blame. She also mentioned that a revised revenue code would help ease pressures on retail prices. Opposition politicians were using the price issue -- as well as the Taylor trial and commotion over recent Auditor General statements -- to turn around popular support for the GOL. She said George Weah was trying to fuel discontent in order to regain relevance, while Liberty Party leader Charles Brumskine was reacting to a perceived leak from the GOL regarding his lobbying activities for a cellphone company. (Note: In his meeting with Moss, Brumskine provided his interpretation of the same issue, noting it was standard behavior for the GOL to engage in character assassination of the opposition, that he had no connections with the cellphone companies, and that very little distinguished the Sirleaf government's tactics from Taylor's when it came to behavior vis a vis the opposition. End note). The President noted that the opposition game in

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Liberia was always to demonize the government and that would not soon change.

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Other meetings and activities  
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¶18. (U) Embassy also hosted several other meetings and events for the visit of DAS Moss, including meetings with Central Bank governor Mills Jones and Liberty Party leader Charles Brumskine, a banquet with Liberian banking leaders, a roundtable with US-funded GEMAP experts, a dinner with justice sector advisors, and a reception with a wide

assortment of business representatives. In addition, DAS Moss traveled on July 13 to Tubmanburg to observe several USG-sponsored projects including a USAID/OTI funded market, a school and clinic renovated by USAID contractor DAI under LCIP, and a legislative outreach office set up with support from the National Democratic Institute (NDI). DAS Moss also conducted a radio interview with OTI-funded Radio Bomi in Tubmanburg. On July 14, DAS Moss accompanied EmbOfs on a tour of the abandoned Bong Mines concession and a trip along the rehabilitated Bong Mines railway.

19. (U) This cable has been cleared by DAS Moss.

Booth